

Impact of Internal Marketing on Service Quality and Customers Satisfaction

A Case Study of Equity Bank, Kengeleni Branch

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Abstract

According to Piercy and Morgan (1991) external customer satisfaction cannot be achieved without the fundamental contribution of the customer-contact employees who provide the service. The front-line employees of the bank interact with the majority of customers and generally handle a wide range of banking transactions. Because of the importance of the service provided, Bank firms should support customer-contact employees in order to acquire communicative sale skills and make them feel comfortable and satisfied with their job. The above ascertainment emerged the concept of Internal Marketing (IM). According to the Berry and Parasuraman (1991) each business should develop Internal Marketing programmes that would focus on the internal market (employees) in parallel to those for its external market (customers) in order to provide high quality services to its customers continuously. Consequently, external customer satisfaction cannot be achieved without the fundamental contribution of the employees who provide the service. Therefore managers who are concerned with monitoring and improving external customer satisfaction, need to develop employees' competence in order to act as "part-time" marketers for the organisation. The key for employees' competence is Internal Marketing, Gummesson (1987) where head office is highly involved in strategic and planning IM whereas senior and middle level managers have more tactic role. The implementation of Internal Marketing is carried out by the employees of the branches in order to transfer this philosophy into Bank's customers. The present case study aims to examine the adoption of IM concept from Equity Bank's Kengeleni branch employees and its impact on service delivery and customer satisfaction. The discussion of the findings contributes to understanding how Internal Marketing influences service delivery by the employees and how they are linked to the customer satisfaction of the banks customers. It seems that Equity bank deem employee training and evaluation of performance with reward system as crucial, although improvement is required in the way that the company's mission statement is communicated and understood among the different employee grades

1.0 INTRODUCTION

The relevance of internal marketing to service operations rests in the increased emphasis on service quality in customer oriented corporations. Customers no longer simply purchase products; they co-produce in service organizations. The co-production occurs through the front-line employees and the customer at the time of transaction, therefore, the customer buying experience must be understood from both the organizational and customer perspective. This places greater emphasis on the process where each member must feel responsible for the outcome. Internal marketing is a process that creates an environment where every member acts as both a client and customer in order to create responsibility.

Berry (1981) pioneered the term internal marketing and originally defined it as "viewing employees as internal customers, viewing jobs as internal products that satisfy the needs and wants of these internal customers while addressing the objectives of the organization". The affects on employees, organizations, external customer satisfaction, and the development of cross functional units assist in the creation of internal marketing.

Internal marketing itself incorporates marketing, management, quality control, communications, and human resource departments in order to implement the program Varey & Lewis (1999). The incentive for proper implementation of internal marketing is how it will assist in the creation of a competitive advantage over the competition. Ballantyne (2003) described this concept as needed by the "new organization" and many believe that it will create this advantage Gronroos (1994) stated, "Without active and continuous internal marketing efforts the interactive marketing impact on customers will deteriorate, service quality will suffer and customers will defect."

If the Internal customers wants and needs are not met then the satisfaction of external customers is difficult, and if they are met then employees become committed, co-operative, and enthusiastic about the organization.

Service quality is "a global judgment, or attitude, relating to the superiority of the service" Parasuraman & Berry, (1988) and it continues to increase in importance as service industries grow and outnumber manufacturing organizations. The buyer will create a perception of quality that must be understood by the organization. An individual will compare the perceptions of what occurred verse what was expected and this is mediated by the amount of involvement the consumer has in the process.

The ability to increase performance involves customer satisfaction, and it was described as an outcome of internal marketing, Ahmed & Rafiq (2003). The researchers hypothesize that if internal marketing is effectively implemented, the employee becomes satisfied, and this positive behaviour is transferred to the consumer during interaction to improve the external customers service experience which results in external customer satisfaction.

Banking has witnessed epoch-making changes — from traditional to Banking modern, from manual to technological, from inward looking to outward looking, from inbound efforts to outbound strategies, from task-oriented to customer-centric. This transformation has been triggered by bank reforms, deregulation, and competitive environment. Banks have, thus, moved from the sellers' market to buyers' market. As a result, banks have been exposed to an environment of Economic Darwinism where "survival of the fittest" is the ruling principle of the game. Against this backdrop, the banking Industry have realized the importance of internalizing the marketing skills by all staff in banks to facilitate external marketing to improve service quality and customer-orientation.

The competition between banks has become a major battleground for consumers' financial services expenditure and banks are increasingly adopting retailing concepts and techniques.

The term 'retail banking' has become firmly established. The concepts and techniques of retail marketing have been eagerly seized upon by most financial institutions that have a direct interface with the consumer market. One challenge in service organisations is that of decentralised marketing. The biggest challenge for the retail banking is not to be clever in practicing marketing, but to be clever in getting everyone else in the organisation to practice marketing. How to accomplish this, how to build true sales- and service mindedness into an organisation's culture, how to give contact employees and employees who perform support functions the knowledge and skills to be effective marketers in a cost-effective way are the questions on the minds of retail executives today. To this effect, this study explores the relationship between non-marketing employee orientation which is an expression of how the individual views his situation in terms of what he desires from it and the extent to which he expects these desires to be achieved or not and the implementation of a successful marketing strategy.

The study attempts to blur boundaries between the organization and its customers and allows the organization to become a sum of its parts. Traditionally, marketing had been relegated to marketing departments whose sole job was to satisfy the needs of customers, but many believe this must be the focus of all organizational members. The inclusion of all members creates internal interaction and with the goal of enhance the knowledge of front-line employees and their involvement with customers (Lings, 1999).

The current study is designed to examine how internal marketing determines the overall service quality of external customers within all of the hierarchical levels of a bank. In the study every member of the organization is involved in the creation of the final service which is important because the difficulties of most organizations occur internally not externally (Lings, 1999).

2.0 LITERATURE REVIEW

2.2 Internal Marketing

Marketing has traditionally emphasised a focus on external consumers rather than viewing the organisation's employees as 'internal' customers, Spitzer & Swidler, (2003). The concept of internal marketing emerged from the development of business structures and services marketing, Varey & Lewis, (2000). In particular, internal marketing has been perceived as a means of creating a sustainable competitive advantage in the marketplace through provision of high service quality, Cronin & Taylor (1992). Although originating within the services marketing literature, internal marketing is now viewed as applicable in all industry contexts Cahill, (1995). Internal marketing is defined as; "...a planned effort using a marketing-like approach directed at motivating employees for implementing and integrating organisational strategies towards customer satisfaction" Ahmed & Rafiq, (2002). That is, internal marketing is seen as encompassing the efforts of the firm to encourage employees to respond to the market, which includes being able to adapt quickly to (often unpredictable) change within the external market.

Benefits resulting from this approach include building a universal business vision, employee empowerment, increased employee interaction and employee skills and knowledge development Cahill (1995). Hence, there is a need to "sell" the concept of internal marketing to businesses.

Internal marketing has been found to be an important element of organisational development and change Varey & Lewis, (2000) and that an absence of internal marketing may result in employees having a stronger resistance to change and adaptation.

Internal marketing can assist in creating a working atmosphere and environment in which employees are valued and able to improve service delivery and business performance and foster long term competitive advantage through the creation of strong organisational cultures Ahmed & Rafiq, (2003). This is achieved through breaking down bureaucratic processes and barriers and facilitating efficient and flexible interaction

between management departments and groups within organisations, internal marketing may also enhance employee creativity, innovation and performance.

Hence, internal marketing appears a proficient method of changing the attitudes and behaviours of employees so as to recognise the importance of meeting external consumer expectations and satisfying customer needs.

A comprehensive internal marketing activities is concerned with employee recruitment, training, motivation, communication and retention efforts, Randall, & McCullough, (1988).

2.2.1 Recruitment and training

Employees are a key organizational resource. Qualified applicants are attracted to the firm through the use of specific job description and effective recruitment procedure. Careful selection of contact personnel in service organizations is an essential accompaniment to the recruitment process (Davidson, 1978). Once employed, employees must participate in training program which supplies them with a view of total organization, so that they can locate themselves within, and see their importance to the organization. Training is professional and involves marketing managers, using as many senior level managers as possible.

The value of a solid recruitment and training activity in the service industry has not gone unrecognized. In previous study, over seventy percent of 323 firm surveyed reported that they carefully select personnel and emphasize training in customer interaction skill (Zeithaml, Parasuraman, & Leonard (1985). Avis requires that all personnel participate in training activity before they have any communication with customers. In addition to a more competent staff, a specific benefit realized from the mandatory training is significantly decreased turnover in service personnel (Davidson, 1978)

2.2.2 Motivation

Motivation strategies can help to increase an employee's drive to activity a higher level. Most employees in high-contact service job are self-motivated to provide what they believe is good customer service, but they feel that management often frustrates their desires to do so (Zeithaml, Parasuraman, & Leonard (1985). Managers of service firms must believe in their organizations, be able to communicate their enthusiasm and conviction to their subordinates, and facilitate

employee performance (Heskett, 1981).. The motivation of employee can be increased by appropriate incentive activity, team-building techniques, staff meetings, staff retreats, task force, seminars and workshop. (Zeithaml, Parasuraman, & Leonard (1985).

2.2.3 Communication

Marketing managers applying internal marketing concepts seek to improve interpersonal, interactive communication channels by establishing a open information climate. In service firm, internal communication with employee may be more important than external communication with customers (Heskett, 1981).

2.2.4 Retention

Retain employee, marketing managers ensure that salaries are competitive and bonus systems are attractive. Some of the most successful service firms have the most liberal and comprehensive fringe benefit activity in their industries (Heskett, 1981). Such as these factors can help to retain employees.

2.3 Service Quality

Allerd (2001) points out that service quality means to conform with or adapt with requirements, this means that service establishments should create specific requirements and specifications for services it provides.

Consequently, the goal of making various jobs of organization of quality is the whole conformity of such jobs with specifications and requirements defined by the organization. Generally it is known that customers take into consideration numerous dimensions when evaluating quality.

Besides there are many opinions concerning the explanation of service quality dimensions. Various definitions of service quality have been mentioned. Berry (1988) defines service quality as the difference between customers' expectations of provided service performance and their evaluation of actual service.

Asubonteng defines it as the difference between customer's expectations of guided service performance and their realization of actual service. Da'boul and Ayyoub (2003) refer to service quality as the conformity with specifications.

In other words, organization should put forward standards for specifications when they put quality goals. After defining these goals, service should conform to these specifications. Zeithaml and Bitner (2006) see service quality as the concentrated evaluation that reflects the customer realization of specified dimension for service, such as: Reliability, responsiveness, confirmation, good dealing and material evidence.

When customers' realization is mentioned, it is done on assumption of various quality dimensions and methods used by customers in evaluating such quality, whether they were internal customers (workers) or external customers (individuals, organizations).

Dehghan (2006) pointed out to the service quality as the objective comparison carried out by customers between service quality that they wish to obtain and actual service that they get. Lovelock and wirtz,

(2004) define it as having various concepts and meanings according to customers difference, and way through which they realize quality of service provided to them.

Four Points of View In Defining Quality Are As Follows:

Point of view concerning with user himself: It means that the quality lies in the customer's opinion.

Consequently, those customers have their own wishes and needs, it is noticeable that this definition equalize between quality and achieving farthest satisfaction of customers.

Point of view based on product: It considers quality as a sensitive variable that can be measured; difference in quality reflects amount of difference in variable contents or characteristics of the product.

Intellectual point of view: means conformity of quality with standards and effective performance, in it, individual realize quality through experience of them that they acquired by repeated exposure.

Point of view concerning value: It considers quality from price and value, through comparison between performance obtained by customer and price he/she pays for the service obtained.

2.3.1 Service Quality Dimensions

Researchers do not agreed upon essence of services quality dimensions because it is difficult for service organizations to put forward observation procedures to define standards of service quality provided to customers.

Nevertheless, Parasuraman, Zeithaml and Berry, (1985) refer to the existence of service quality ten dimensions which are:

Credibility: means possibility of service provider obligations and if he/she is worthy of trust.

Responsiveness: readiness of service, provider to achieve and perform service accurately and in a reliable way.

Reliability: it refers to service supplier ability to achieve and perform service accurately and in a reliable way.

Security: it relates to degree of security and risk free.

Understanding: understanding customers and knowing their needs accurately.

Tangibles: It refers to aspect of material facilities provided to the service organization, such as, supplies, tools.

Accessibility: means that service is available in place and time wished by the customer.

Courtesy: means service provider's high degree of respect and consideration of customer feelings and dealing with them with cordiality.

Competence: service provider's having skills and knowledge required.

Communication: if service provider is able to enlighten beneficiary about nature of service provided, and the role that beneficiary should play to obtain service required, for example, is beneficiary informed with damages or obstacles that may occur in service providing systems (Al- Tai'e and Al-Alaq, 2009).

Service quality dimensions were decreased to become five; they are reliability, tangibles, responsiveness, credibility, and empathy.

2.4 Internal Marketing and Service Quality

Interest in internal marketing increased as one reason that support great role of service organizations in achieving employees' and customers' satisfaction. Kotler and Armstrong, (2006) has developed service marketing's triangle, which explains relation between organization and its employees and customers. In this triangle, they propose three forms of marketing each of which is considered a main factor in success of the organization.

First Type: External marketing that represents organization's relation with customers, and cares for traditional activities (product, price, distribution, and promotion).

Second Type: Interactive marketing that represents interactive relationship between service provider and customers.

Interactive marketing means determining service quality depends firstly and largely on interaction of quality standard from the point of view of service provider and beneficiary, Gronross (1994).

Third Type: Internal marketing that is interested in relationship between organization and its workers. It means that service organizations will train workers and motivate them especially these working in direct contact with customers.

Reaching customers and winning their satisfaction is achieved through reaching level of quality required in all marketing relations between organization and customers.

First benefit that Banks achieve from applying internal marketing programs, is improvement of service goodness through bank individuals' focus on providing distinguished service to his/her colleagues which lead to find distinguished service that is received by customers Al-Ofaishat (2001).

Lings (2000) explains that workers satisfaction is a basic condition and first step to achieve and customer's satisfaction. Besides, service goodness is connected basically with quality of individuals who produce and provide these services. Therefore, reaching quality of services required and achieving customers satisfaction depends on using internal marketing program that satisfies needs and conforms to aspirations of working individuals. Lings (2000).

Customers' feeling of quality of service provided to them by individuals working in banks with whom they become in contract, is affected by level of those worker's performance. Success of external marketing

basically depends on individuals with whom the customers intercommunicate, since qualified and well motivating individuals basically depends on individuals with whom the customers intercommunicate since qualified and well motivating individuals basically participate in creating and magnifying organization's outputs.

2.5 Customer Satisfaction

Kotler(1996) defined customer satisfaction as “the level of a person's felt state resulting from comparing a product's perceived performance or out come in violation to his/her own expectations”. So, customer satisfaction could be considered a comparative behaviour between inputs before hand and post obtainments

In businesses where the underlying products have become commodity-like, quality of service depends heavily on the quality of its personnel. This is well documented in a study by Leeds (1992), who documented that approximately 40 percent of customers switched banks because of what they considered to be poor service. Leeds further argued that nearly three-quarters of the banking customers mentioned teller courtesy as a prime consideration in choosing a bank. The study also showed that increased use of service quality/sales and professional behaviours (such as formal greetings) improved customer satisfaction and reduced customer attrition.

Indeed, customer satisfaction has for many years been perceived as key in determining why customers leave or stay with an organisation. Organisations need to know how to keep their customers, even if they appear to be satisfied. Reichheld (1996) suggests that unsatisfied customers may choose not to defect, because they do not expect to receive better service elsewhere. Additionally, satisfied customers may look for other providers because they believe they might receive better service elsewhere. However, keeping customers is also dependent on a number of other factors. These include a wider range of product choices, greater convenience, better prices, and enhanced income (Storbacka et al., 1994). Fornell (1992), in his study of Swedish consumers, notes that although customer satisfaction and quality appear to be important for all firms, satisfaction is more important for loyalty in industries such as banks, insurance, mail order, and automobiles.

Ioanna (2002) further proposed that product differentiation is impossible in a competitive environment like the banking industry. Banks everywhere are delivering the same products. For example, there is usually only minimal variation in interest rates charged or the range of products available to customers. Bank prices are fixed and driven by the marketplace. Thus, bank management tends to differentiate their firm from competitors through service quality. Service quality is an imperative element impacting customers' satisfaction level in the banking industry. In banking, quality is a multi-variable concept, which includes differing types of convenience, reliability, services portfolio, and critically, the staff delivering the service.

2.5.1 Customer satisfaction within the Banking Industry

The quality of the services provided determines in great extent the level of customer satisfaction and analysing the latter can help banks identify their weak points and act as a wake-up call for management and employees alike. For this reason most banks consider customer satisfaction as the primary criterion in their strategic planning since it is directly related to the institutions' profitability (Kessler, (1996).

Research conduct in order to measure customer satisfaction has become a necessary tool for banking marketing Gerson, (1993). Banking marketing can be defined as the sum of organised business activities conducted by a bank on the basis of banking deontology in order to cater for both the existing and future target market needs. According to Heskett et al., 1994 research, those businesses famous for the high standards of customer service,

- have significantly higher degree of maintaining their customers;
- have extensive benefits from word-of-mouth advertising;
- earn a significant market share from those businesses with low -level customer service;
- have good reputation that help attract and retain skilled employees and
- have doubled their capital and sales performances in relation to that of institutes with lower standard customer service.

According to Heskett et al., (1994) in order to improve the quality of its internal and external services, a banking organisation has to take a number of steps such as: increase training levels especially on techniques aiming to improve communications, provide services knowledge, sales skills, reward and recognition system improvement, increase of employee morale and hiring of experienced staff.

Heskett et al., (1994) presented an interesting concept of the Chain of “service-profit”. They support that there is a relation between the profitability deriving from loyal and satisfied customers and the loyal and productive staff of the company itself. In particular they believe that loyal customers contribute in the business' profitability as their satisfaction is determined by the quality of the services delivered by the company employees. The latter deliver quality services when they are satisfied with the returns they achieve from the company they work for.

2.5.2 Customer Perception of Value

Today, customers are more value oriented in their consumption of services because they have alternative choices

Woodruff, (1997). For example, Gale and Wood (1994) explained how customers make purchase decisions between competing providers. The author argued that customers buy on value; they do not simply buy products. Interestingly, it was observed that customers learn to think objectively about value in the form of preferred attributes, attribute performance, and consequences from using a product in a use situation Woodruff, (1997). Thus, banks must be able to provide “up-close” personal service for customers who come with high expectations. For customers who value convenience most, banks must offer the latest product such as electronic banking, touch-tone phone account access and internet banking. Clearly, customer value can be a strong driver of customer retention.

Reidenbach (1995) argued that customer value is a more viable element than customer satisfaction because it includes not only the usual benefits that most banks focus on but also a consideration of the price that the customer pays. Customer value is a dynamic that must be managed. Customer satisfaction is merely a response to the value proposition offered in specific products/markets (Reidenbach, 1995). By this view, banks must determine how customers define value in order to provide added-value services.

2.6 Internal Marketing and External Marketing

According to Tansuhaj (1988), in service marketing, the employee plays a central role in attracting, building and maintaining relationships with customers (as shown in Figure 2.1 A) The model shows the linkage between internal marketing (recruitment, training, motivation, communication, and retention) and the more traditional external marketing activities (pricing, advertising, and personal selling). It also puts forward how the integrated marketing elements, like employee attitudes and behaviour, and customer attitudes and behaviour enhance customer loyalty, satisfaction and perception of quality The goal is to meet customer needs, since the value of the service is in satisfying those needs. Greater attention to employee-customer interactions can result in an increase in perceived service quality, customer satisfaction, and repeat purchase behaviour of service customers. According to the model, an internal marketing program influences employee attitudes and behaviour, which in turn influence the impact of external marketing towards the customer

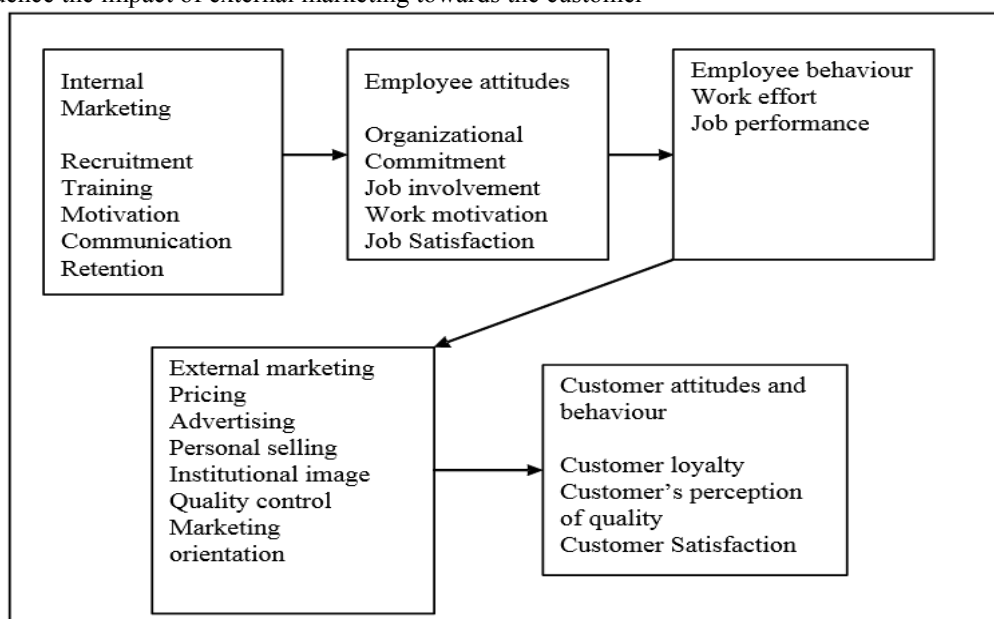


Figure 2.1 A model of services marketing management Source: Tansuhaj (1988)

External marketing activities are generally divided into external service quality, external customer satisfaction and specific/individual competencies. In service firm, it is generally believed that a marketing plan composed of external marketing activities largely determines consumer satisfaction. However, in service organization the implementation of this plan depends, to a great extent, on the activities of the employees. M. B. & Sharma, B. (2001) attempted to develop and sustaining an organizational culture that emphasizes internal customer well-being as a means to attract and retain external customer patronage. They propose a model that relates six key internal marketing practices to external customer satisfaction and loyalty, mediated by internal customer attitudes (i.e. loyalty to the firm, job satisfaction, trust in management) leading to extra role behaviors directed at external customers. Kotler (2000) explains that internal marketing is more important than conventional external marketing. Further, Green et al., (1994) point out that internal marketing is the key to excellence service and successful external marketing. Tansuhag, Randall, & McCullough (1998) explores the linkage between internal marketing activities (directed at employee recruitment, training, motivation, communication, and retention) and the more traditional external marketing activities (e.g., pricing, advertising,

and personal selling). An examination of the relationship between the key elements of the service marketing management model (internal and external marketing, employee attitudes and behavior, and customer attitudes and behavior) demonstrates how service managers can enhance customer loyalty, satisfaction and perception of quality. They argue that the internal and external elements of the marketing program of service firms are closely interrelated.

Service firms need to give greater recognition to the "employee-customer interaction" nature of services. It is clear that attitudes and behavior of employees affect the marketing performance of the firm. Ultimately, positive customer attitudes and behavior may be translated into improved firm performance through such measure as the firm's market share, sales, profitability, and other financial ratios.

One work that appears most promising in exploring the link between internal marketing activities and external marketing is attributable to Morrison (1996). She argues that the five dimensions of extra role behaviors, namely: (1) conscientiousness, (2) altruism, (3) civic virtue, (4) sportsmanship, and (5) courtesy, when directed at external customer of an organization are "crucial for ensuring service excellence"

2.7 Conclusion

Today, intangible assets play a major role in the competitiveness of a business; as such assets are more sustainable and less capable of being imitated. Human capital can be considered as one of the most important intangible assets that includes knowledge, skill and attitudes of employees. As a result, management of the capital is needed to attain competitiveness. A major approach to this is internal marketing, which treats the employees of a typical organization as customers whose needs should be supplied. Managers must understand that their employees' satisfaction is as much-sometimes more-important than satisfaction of external customers. Internal marketing is of an interdisciplinary nature. The philosophy of internal marketing is that employees of an organization constitute its internal market, which has customers and suppliers and as a result, a chain of value is formed inside the organization which must be intended to supply the needs of both the internal and external customers. When the internal customers of an organization are satisfied they will perform better and maintain better interaction with the customers. As a result, the customers will get more satisfied, which will bring about their faithfulness in the long run and ultimately a competitive advantage will be obtained from the internal customers. Internal marketing influences the customers' understanding of the quality of services and, on the other hand, can influence both the quality of services and the customers' satisfaction. As internal marketing and the role it can play in organizations has not been of much interest in Iran up to present, the authors recommend that the influence of internal marketing on the quality of services, customers satisfaction and attainment of a competitive advantage be studied, as the quality of services is more based on the relations between the employees and customers.

3.0 Research methodology

3.1 Research Design

According to Cooper and Shindler (2001), the research design is the blueprint for the collection, measurement and analysis of data. The aim of this research is to indicate the relationship between internal marketing and service quality with customer satisfaction.

In this study the descriptive research will be used that is explaining the distinctiveness of the observed facts.

Descriptive research: According to Ghauri and Gronhaug (2005), descriptive research is used when the problem is structured that is, it gives answers to who, where, what, how and when questions. It's used to make clear the distinctiveness of a population or an observed fact. According to Zinkmund (2000), "descriptive research studies are based on some previous understanding of the nature of the research problem".

3.2 Target Population

The general population for this study is composed of Banks Employees and the Banks Customers. Basically these respondents are asked regarding the current status of services offered by Equity Bank both externally and internally and their personal views about service satisfaction.

3.3 Sample Size and Sampling Procedure

Being a case study the Kengeleni Branch of Equity Bank is taken as the representative banks branch.

According to Cooper and Shindler (2001), the ultimate test of a sample design is how well it represents the characteristics of the population it purports to represent. In measurement terms, the sample must be valid. Validity of a sample depends on accuracy and precision.

This case study is distinguished because it addresses two societies concerned with banking sector, first the workers of banks and second those bank's customers. Due to difficulty of reaching both societies a sample representing each society by itself will be chosen.

Kengeleni Branch Population

Levels	Numbers	Percentage (%)
Management	9	11%
Supervisors	13	17%
Junior Staff	57	72%
Total	79	100%

The Banks Employee Sample size based on the total population shall be shall be

Levels	Numbers	Percentage (%)
Management	3	33%
Supervisors	5	38%
Junior Staff	17	29%
Total	25	100%

The sample size of employees will be limited to 25 respondents and due to various resources constraints the sample size of the Banks customers will be limited to 40 respondents.

Basic idea behind sampling is that by selecting some of the elements of a population, conclusions can be drawn about the entire population.

The basic idea behind sampling is that by selecting some of the elements of a population, conclusions can be drawn about the entire population, Cooper and Shindler (2001).

In this case study, Judgement and Quota sampling techniques will be used in selection of the sample. Judgement basis is due to the impressive performance of Equity Bank in the Banking Industry and hence the need to establish whether internal marketing has played any role in the banks success story.

3.4 Data Collection Techniques

For this study, primary research and secondary research will be used. Moreover, the descriptive research method will be utilized. In this method, it is possible that the study would be cheap and quick. It could also suggest unanticipated hypotheses. Nonetheless, it would be very hard to rule out alternative explanations and especially infer causations. Thus, this study will use the descriptive approach. This descriptive type of research utilizes observations in the study. To illustrate the descriptive type of research, Creswell (1994) guided the researcher when he stated: Descriptive method of research is to gather information about the present existing condition. Primary research is conducted using questionnaire surveys that are sent to the randomly selected Bank Customers and Employees of Equity Bank. The questionnaires will be used to collect quantitative data and the interviews will be used to provide qualitative insights into the data collected. Apparently, secondary data are based from the recent literatures related to customers and employees behaviour.

As stated above, this research will partially base its findings through both quantitative research methods because this permits a flexible and iterative approach. During data gathering the choice and design of methods are constantly modified, based on ongoing analysis. This study will also employ qualitative research method because it will try to find and build theories that will explain the relationship of one variable with another variable through qualitative elements in research. Through this method, qualitative elements that do not have standard measures such as behaviour, attitudes, opinions, and beliefs within the business domain will be analyzed.

3.5 Data Analysis

According to Gibbons (1993), there are two fundamental purposes to analyzing data: the first is to describe a large number of data points in a concise way by means of one or more.

Summary statistics; the second is to draw inferences about the characteristics of a population based on the characteristics of a sample.

In order to achieve the envisaged objectives of the study, the raw data produced from the questionnaire will be coded, edited and analyzed through descriptive statistics.

The data analysed is presented using tables, Pie Charts and Graphs.

4.0 FINDINGS

Emanating from the foregoing analysis the following findings emerged:

4.1 Customers Findings

On the basis of statistical analysis of study results, the following results concerning customers were concluded: Tendencies of Equity Banks' customers were positive towards banking service quality dimensions represented in: Tangibles, Readability, Responsiveness, Credibility, Empathy, where evaluations were more than average. This is an indicator that is somehow accepted.

Statistical analysis results point out that tangibles dimension won positive evaluation obtaining 80% higher than average (**Very good and Good**) confirming a degree of customers' interest in tangibles of the bank, which in turn, participate in fast providing of banking services in suitable time and place.

The results confirm that the reliability dimension obtained the least evaluation of 56% from the customers' point of view in comparison with other quality dimensions which is a very little percentage considering the Industry, although all items forming this dimension have obtained positive evaluation. Competence had 72% which states that employees in Equity Banks perform their services entrusted to them will from the first time. But also, they can't be belief on, in solving problems facing bank's customers as soon as possible and on time required.

Responsiveness dimension obtained a positive evaluation from the customers' point of view, of 72% the important thing for customers is that they found that workers in Equity Banks seek to satisfy personal needs and demands. This means that banks employees respond to their customer's demands and are able to satisfy them.

Credibility dimension has obtained positive evaluations for all its items from the customers' point of view with 72% this means that the banks' employees have enough knowledge of nature of service that they provide to customers.

Employees in Equity Banks have empathy with customers through considering customers' interests by the banks' employees at the top of their priorities. Empathy dimension obtained 68% from the customers' point of view.

From the analysis 80% of the Customers agreed that they can refer other potential customers to Equity Bank signifying a level of Service Satisfaction this is a positive indicator of the nature of relationship between banks and their customers.

48% of the Equity Customers have an excellent experience with Equity Bank and indication of Customer Satisfaction with the products and Services and at large the whole encounter with the Bank.

- There is a relation of statistical indication between banking service quality and customers' satisfaction, from the analysis above.

- There is a relation of statistical indication between banking service quality and (service quality dimensions): Tangibles, Reliability, Responsiveness, Credibility, and Customers' satisfaction.

- There is a relation of statistical indication between evaluation of internal marketing procedures and customers' satisfaction.

4.2 Results Relating to Employees

From the analysis above the response on Quality Dimensions from the Employees perspective rated highly with 80% (**Good and Very Good**), meaning that the employees understand the dimensions and apply those dimensions during service delivery.

The Internal Marketing attributes, that is Motivation, Recruitment, Training, Promotion, Tangibles, Communications, Customer Service, Responsiveness and Rewards received a positive rating from the employees.

Training received the highest rating of 69%, an indication that internal training and empowerment of staff at Equity is availed to staff in return enhancing their capability of service delivery.

27% of the Equity employees have excellent overall employment feeling with Equity Bank while 46% have good feeling about the employment with Equity an indication of Employment satisfaction which is an ingredient of many factors with an overall feel content, hence employees retention.

67% of the Equity Bank employees can refer others to Equity for employment, indicating a sense of belonging and pride of the employer and of which facilitates and enhances excellent service delivery

- There is a relation of statistical indication between internal marketing procedures and evaluation of internal marketing procedures.

- There is a relation of statistical indication between banking service Training, human resources development, Communications, motives and rewards system, and evaluation of internal marketing procedures.

5.0 CONCLUSION AND RECOMMENDATION

In conclusion, it is clear that from this case study that:-

The idea of conception and development of internal marketing allows for a change in the Banks where new set of goals and institutional objectives may be created (Wasmer and Bruner II, 1991). While backlash may result for employees and the importance of timing to implement these changes is a major issue, this concept allows for the improvement of communication, departmental interaction, and if accomplished provide profitability for the Bank and fulfil the needs of employees.

Crosby and Johnson (2003) described the importance of leadership and the need for these individuals to "walk the talk", understand the reality of the workplace through hands on assistance, and understand the effects on profitability for a successful internal marketing operation.

All employees must be treated as customers; this means the creation of specifications, the creation of awareness and the identification of expectations through market research. The results of this case study will allow the banks and other organizations to segment the population and tailor specific strategies to each segment. Once the segments are identified the communication of information is important and this includes additional training for all employees to develop competence, the creation of interdepartmental teams in order to build relationships, and the allowance for appraisal and feedback from within various levels of the organization. The unification of departments will allow suppliers to make necessary changes, establish a level of service quality, support quality improvement, and establish a level of customer consciousness.

Follow-up research may be conducted in order to determine effectiveness and assist in the recognition in changes of the environment.

In order for proper implementation to occur the focus must evolve around frontline employees and the process must start with senior leadership and a proper physical environment. The best method to influence employees involves strategic awards, other incentives, and individual empowerment to make decisions without the assistance of upper management.

Ballantyne (2003) stated a successful internal marketing campaign satisfies the interests of the individual member and organization.

Therefore, mutual value must exist, it must be transparent, perceived as fair, co-created through interaction, and continually increasing. The difference between internal and external marketing is the fact it is continually co-created over time.

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